Ohio Rail Development Commission

50 West Broad Street, Suite 1510, Columbus, Ohio 43215
614-644-0306 (telephone) • 614-728-4520 (fax) • www.dot.state.oh.us/ohiorail

July 6, 2007

Dear Commissioners:

Briefing materials for the **Thursday, July 12, 2007** Commission meeting are enclosed. You will find the minutes of the May meeting posted on ORDC's website at www.dot.state.oh.us/ohiorail.

The meeting will be held in the Vern Riffe Center, 31st floor, South B&C, beginning at 10:00 a.m. If you haven't already done so, please contact Wende Jourdan to confirm your attendance. You may reach her at 614/728-9497 (telephone) or by e-mail at wende.jourdan@dot.state.oh.us.

We look forward to seeing you at the meeting.

Sincerely,

James E. Betts
Chair

enclosures

THE OHIO RAIL DEVELOPMENT COMMISSION

MEETING AGENDA

Thursday, July 12, 2007 at 10:00 a.m.
Vern Riffe Center for Government & the Arts
77 South High Street, 31st floor, Columbus, Ohio

CALL TO ORDER – James E. Betts, Chairman

- Welcome
- Roll Call
- Approval of Minutes from May Meeting

EXECUTIVE DIRECTOR / FINANCE REPORT – Matt Dietrich

PROJECTS FOR APPROVAL

- Resolution 07-10: Greater Ohio Ethanol – Lou Jannazo

OLD BUSINESS

NEW BUSINESS

- Jobs and Carload Report – Beverly Lee

PUBLIC COMMENT

EXECUTIVE SESSION Update on permanent Executive Director – Jim Betts

RECONVENE FROM EXECUTIVE SESSION

ADJOURN

MEMORANDUM
July 12, 2007

TO: ORDC Commissioners
FROM: Matthew Dietrich
SUBJECT: Executive Director / Finance Report

This document reflects the accomplishments and highlights of the Ohio Rail Development Commission since May 17, 2007.

- ORDC was successful in its efforts with the General Assembly to restore one million dollars annually of Governor Strickland's proposed budget to ORDC's General Revenue Fund for FY '08 and '09. There are many people that made this success possible including both the Republican and Democratic Senate Caucuses and our legislative members on the Commission. I would also like to thank Art Arnold and his members for their efforts. The following people testified on behalf of the ORDC to the Senate: Ted Graham, President of the Marion Industrial Center; Dave Clayborn, President of Marion CANDO!; Jerry Damewood, Damewood Enterprises and a member of the West Central Ohio Port Authority (WESTCO) Board of Directors; David Martin, President of Precision Seed and Grain, Co. and a WESTCO shipper; Jim Russell, Village of Leipsic Administrator; Catherine Garlock, Chief of Staff for the City of Lima; Bill Strawn, President of the Ohio Central Railroad and Jack Shaner of the Ohio Environmental Council.

- Attached is a preliminary breakdown of budgeted spending for the Commission in FY 2008. Operational expenses are kept to a minimum so that all increases in budget could be assigned to grant funding. One of the areas reduced is Personal Service Contracts.

- The Office of Budget and Management has switched operational expenses from a yearly to quarterly allocation. ORDC grant funding will still be allocated on a yearly basis. OBM intends to sweep accounts of any unused funds on a quarterly basis. Staff is working with ORDC's OBM Analyst to ensure all unused operational funds will be transferred to grant programs on a quarterly basis.

- ORDC ended Fiscal Year 2007 with a total revenue generated of $1,045,312.56.

- Staff has been working with the Federal Railroad Administration and the Seneca Group, FRA's financial advisor, on the proposed RRIF loan for the Panhandle Rail Line. In its original application, ORDC attempted to base the potential financing on the value of the asset rather than the value of the operation. Because of the metrics FRA employs in its review of loans, and the fact that the basis of the debt service for the proposed loan is the revenue generated from the operation of the rail line, FRA has stated that the long-term loan will be difficult to approve given the short-term length of the current operating agreement. I anticipate this becoming another issue of discussion at the Commission Retreat.

- The Indiana Eastern Railroad has rejected the ORDC loan. The project had been downsized by the company to the point that the railroad's private financing provider was able to fold the project into the company's existing private financing structure saving them time and cost.

- Staff was able to increase the total grant for the City of Greenville project by $40,000 to $140,000 by clearing the operational accounts for Fiscal Year 2007. City of Greenville Project was presented as an Approved Project Briefing at the May meeting.

- ORDC has entered into two personal service contracts for Fiscal Year 2008: **HIGHWAY-RAILROAD SAFETY CONSULTING, LLC** provides engineering design review of plans and estimates of rail-highway grade crossing projects as needed as well as engineering consulting services for its rail line rehabilitation program. The contract is for an amount of $15,000 for July 1, 2007 to June 30, 2008. **CAPITAL PARTNERSHIPS, LLC** provides consulting services at both the state and federal level. The recent focus of this contract has been the ORDC Congressional funding request for the Ohio Hub PEIS. This contract is for an amount of $1,545 for a period of July 1 to July 31, 2007. In the past, this contract has a term of twelve months. However this contract will be continued on a monthly basis until the permanent Executive Director can determine how they wish to continue this effort.

- Attended the Midwest Interstate Passenger Rail Commission annual meeting in Washington DC and presented an update on the Ohio Hub Plan, including some of the results from the Economic Impact Study. Staff visited members of Ohio's Congressional delegation in support of both the Hub plan and for US Senate Bill 294, which would fully fund Amtrak and create a first-ever state-federal matching program for funding state-generated rail plans such as the Ohio Hub. Staff received excellent responses from the visits, including support for ORDC's earmark request for $5-million to fund a high-level environmental impact study of a "Phase 1" of the Ohio Hub Plan.

- Staff has been working with Congressman Steve LaTourette and his transportation aide on a letter to Federal Railroad Administration Director Joe Boardman to seriously consider ORDC's Ohio Hub Plan for a grant under the FRA's Intercity Passenger Rail Grant Program. Quoting from the letter: "***The Ohio Hub Plan is part of a new vision for the state of Ohio and will expand the capacity of our transportation system by improving the railroads for both passenger and freight trains. Studies have concluded that the plan is not only feasible, but will attract over three million riders annually, taking vehicles off the road and improving interstate congestion.***"

- Staff is finalizing the layout and production of the new edition of the Ohio Rail Map. The map will not only contain updated information on Ohio's railroads, but will also feature information on the Ohio Hub Plan, updated rail tourism information and a corresponding map, new photos and a very supportive message from Ohio Governor Ted Strickland. It will also feature a very well done cover put together by Bruce Hull at ODOT Communications.

Fiscal Year 2007 - Year in Review

By Recipient

Grants to Communities and Railroads		
Communities	698,570	13.6%
Railroads	554,434	10.8%
	1,253,004	24.3%
Grants to Private Industry	910,000	17.7%
Loans		
Communities	1,419,375	27.6%
Railroads	564,495	11.0%
Private Industry	1,000,000	19.4%
	2,983,870	58.0%
Total	5,146,874	100.0%

By Project Type

	Loan		Grant	
Economic Development	1,825,000	35.5%	1,658,570	32.2%
Rail Rehabilitation	699,495	13.6%	504,434	9.8%
Environmental	378,000	7.3%		0.0%
Safety	81,375	1.6%		0.0%
	2,983,870	58.0%	2,163,004	42.0%
Personal Service Contracts		77,815		
Miscellaneous				
AIA Columbus		1,000		
FRA RRIF Fee		16,500		
Operation Lifesaver		1,300		

OHIO RAIL DEVELOPMENT COMMISSION - FY 2008 (Senate Version)

ALI	SAC	Description		Division 24	
Ohio Rail Development Commission				Obj. Class 10	Obj. Class 13
776-465	4651	Payroll & Personal Service	680,257	630,461	49,796
		1st Quarter		169,739	32,000
		2nd Quarter		145,491	7,334
		3rd Quarter		169,739	7,333
		4th Quarter		145,491	3,129
776-465	4652	Rent/Travel/Office Expense	235,000		
776-465	4653	Equipment - Computer	2,500		
776-465	4FA5	Grant (Community/Railroad)	1,391,122		
776-465	4FA7	Grant (Private Industry)	1,391,121		
776-465	6711	ODOT SPR - GRF Match	0		
	GRF	**Total 776-465 Appropriation**	**3,700,000**		
Panhandle Lease Payments					
776-663	6FD9	Panhandle Lease Payments	764,400		
	4N4	**Total 776-663 Appropriation**	**764,400**		
Rail Transportation - Other					
776-664	6FC1	Personal Service	0		
776-664	6FC9	Rail Transportation - Loans	1,937,076		
	6111	Payroll - Yearly Total	174,424		
		1st Quarter		46,115	
		2nd Quarter		41,096	
		3rd Quarter		46,115	
		4th Quarter		41,096	
	4N4	**Total 776-664 Appropriation**	**2,111,500**		
Rail Transportation - Federal					
776-662	8FB5	Subsidy			
	3B9	**Total 776-662 Appropriation**	**0**		
Grade Crossing - Federal					
776-462	4FN7	Grade Crossing Pavement	1,481,742		
		Payroll - Yearly Total	518,258		
		1st Quarter		141,083.91	
		2nd Quarter		118,045.29	
		3rd Quarter		141,083.91	
		4th Quarter		118,045.29	
776-462	4FP7	Grade Crossing Improvements	13,000,000		
	002	**Total 776-462 Appropriation**	**15,000,000**		
TOTAL ORDC BUDGET			**21,575,900**		

OHIO RAIL DEVELOPMENT COMMISSION: July 2007 Finance Report

GENERAL REVENUE FUND (GRF) APPROPRIATION AUTHORITY FY 2008

GRF APPROPRIATION AVAILABLE FOR PROJECTS AND PERSONAL SERVICE CONTRACTS

GRF APPROPRIATION FOR PROJECTS		**3,700,000**
LESS: PROJECTS ENCUMBERED or DISBURSED	0	
LESS: PROJECTS APPROVED BUT NOT ENCUMBERED		
TOTAL	*0*	*0*
PROPOSED GRF COMMITMENTS FOR FY 2008		
TOTAL	*0*	*0*
BALANCE OF GRF APPROPRIATION FOR PROJECTS		***3,700,000***
GRF APPROPRIATION FOR PERSONAL SERVICE CONTRACTS		**49,796**
Highway-Railroad Safety Consulting, LLC	15,000	
Capital Partnerships, LLC	1,545	
TOTAL	*16,545*	*-16,545*
BALANCE OF GRF APPROPRIATION - PERSONAL SERVICE CONTRACTS		***33,251***

FUND 3B9 (FEDERAL) AVAILABLE FOR FY 2008			**4**
RAIL FUND 4N4 - REVOLVING LOAN FUND			**6,256,655**
LESS: OPEN ENCUMBRANCES	3,727,495		
LESS: PANHANDLE RESERVE FUND	764,400		
TOTAL	*4,491,895*		*-4,491,895*
FISCAL YEAR 2007 APPROPRIATION		**2,111,500**	
LESS: PAYROLL FROM LOAN AND LICENSE FEES (Budgeted)	174,424		
LESS: OPEN ENCUMBRANCES FY 2008			
LESS: PROJECTS APPROVED BUT NOT ENCUMBERED			
I&E Loan Funding Restored	-186,495		
TOTAL	*-12,071*	*12,071*	*12,071*
Proposed 4N4 Commitments for FY 2008			
Greater Ohio Ethanol	*1,000,000*		
TOTAL	*1,000,000*	*-1,000,000*	*-1,000,000*
APPROPRIATION BALANCE OF FUND 4N4 AVAILABLE FOR PROJECTS		***1,123,571***	
BALANCE OF FUND 4N4 AVAILABLEW/ CONTROLLING BOARD APPROVAL			***776,831***

TOTAL ORDC FUNDS AVAILABLE FOR PROJECTS - FY 2007 **4,873,371**

ORDC - Loan Payback (Active Loans)
July 5, 2007

	Loans	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	Application, Loan, Interest & Admin. Fees	Total Payments
FY03 Cloverleaf Cold Storage *	$328,000	$33,662							*$14,900*	*$342,900*
FY03 Portage Cty Solid Wst Mgmt. *	$80,000	$16,495	$16,495	$16,495	$9,622				*$3,279*	*$83,279*
FY04 Ann Arbor Railroad *	$768,736	$162,274	$81,137						*$42,295*	*$811,031*
FY04 Columbiana County Port Authority *	$2,098,047	$344,959	$280,308	$284,610	$288,912	$288,912	$288,912	$144,456	*$106,035*	*$2,204,081*
FY04 W&LE (Valley Line)*	$400,000	$10,680	$408,900						*$57,277*	*$457,277*
FY04 Maumee & Western *	$199,088	$29,392	$29,502	$29,502	$29,502	$17,209			*$8,460*	*$207,548*
FY05 Seneca-Sandusky-Tiffin Port Auth*	$290,000	$61,217	$61,217	$61,217	$10,203				*$16,267*	*$306,267*
FY05 Ashland RW (Mansfield Yard Rehab)*	$500,000	$106,935	$106,935	$106,935	$8,911				*$41,285*	*$541,285*
FY05 I&O (Fulton County Processing, Ltd)*	$242,335	$52,681	$52,681	$52,681	$8,780				*$24,266*	*$266,601*
FY06 Portage County Rail Line (Smurfit Stone)*	$20,000	$4,348	$4,348	$4,348	$2,174				*$2,489*	*$22,489*
FY06 Shenandoah Valley Realty ***	$650,000									
FY06 Harrison Ethanol ***	$500,000									
FY06 Wheeling & Lake Erie ***	$150,000									
FY07 Marion Industrial Center ***	$300,000									
FY07 Village of Leipsic ***	$825,000									
FY07 Warrenton River Terminal ***	$200,000									
FY07 WESTCO ***	$513,000									
FY07 Wheeling & Lake Erie ***	$378,000									
	$9,592,778	**$822,642**	**$1,041,522**	**$555,786**	**$358,103**	**$306,121**	**$288,912**	**$144,456**	*$446,138*	*$6,522,916*

Loan Amount Received to Date: **$76,723**
Loan Balance Due: **$745,919**

*Loans Active
**Loans Paid Off
***Loans in Process

OHIO RAIL DEVELOPMENT COMMISSION
APPROPRIATION LEDGER
For Month Ending June 30, 2007

FUND	SAC	FEDERAL STATE/OTHER	ORIGINAL APPROPRIATION	TRANSFERS	UNASSIGNED	ADJUSTED APPROPRIATION	OPEN ENCUMBRANCES	TOTAL DISBURSED	UNENCUMBERED BALANCE	PERCENT UNOBLIGATED	SAC DEFINITION
GRF	4FA5	STATE	850,000.00	240,004.00	0.00	1,090,004.00	789,241.00	300,763.00	0.00	0.00%	GRANT (Community/Railroad) - SUBSIDY
GRF	4FA7	STATE	850,000.00	(137,700.00)	0.00	712,300.00	682,300.00	30,000.00	0.00	0.00%	GRANT (Private Industry) - CAPITAL
GRF	4651	STATE	761,782.00	(85,660.56)	0.00	676,121.44	9,268.35	663,849.11	3,003.98	0.44%	PAYROLL / PERSONAL SERVICE
GRF	4652	STATE	235,718.00	(16,100.00)	0.00	219,618.00	4,633.44	213,797.97	1,186.59	0.54%	OFFICE EXPENSE
GRF	4653	STATE	2,500.00	(543.44)	0.00	1,956.56	0.00	1,956.56	0.00	0.00%	OFFICE EQUIPMENT
GRF	4665	STATE	789,600.00	0.00	0.00	789,600.00	348,685.00	440,915.00	0.00	0.00%	ODOT GRADE SEPARATION
	FUND TOTAL		**3,489,600.00**	**0.00**	**0.00**	**3,489,600.00**	**1,834,127.79**	**1,651,281.64**	**4,190.57**	**0.12%**	**FUND TOTAL - GRF**
002	4FN7	FEDERAL	1,515,375.00	5,599,724.28	4,939,800.00	7,115,099.28	1,751,858.83	298,340.95	125,099.50	1.76%	GRADE CROSSING PAVEMENT
002	4FP1	FEDERAL	484,625.00	17,000.00	0.00	501,625.00	0.00	500,500.93	1,124.07	0.22%	GRADE CROSSING SAFETY'S PAYROLL
002	4FP7	FEDERAL	11,000,000.00	4,089,509.97	111,092.22	15,089,509.97	13,121,135.03	1,717,263.79	140,018.93	0.93%	GRADE CROSSING DEVICES
	FUND TOTAL		**13,000,000.00**	**9,706,234.25**	**5,050,892.22**	**22,706,234.25**	**14,872,993.86**	**2,516,105.67**	**266,242.50**	**1.17%**	**FUND TOTAL - 002**
3B9	8FB5	FEDERAL	10,000.00	0.00	0.00	10,000.00	0.00	0.00	10,000.00	100.00%	FEDERAL RAIL - SUBSIDY
	FUND TOTAL		**10,000.00**	**0.00**	**0.00**	**10,000.00**	**0.00**	**0.00**	**10,000.00**	**100.00%**	**FUND TOTAL - 3B9**
4N4	6FC9	OTHER	1,972,782.00	1,912,130.00	0.00	3,884,912.00	2,902,495.00	22,606.25	959,810.75	24.71%	RAIL TRAN - LOANS
4N4	6FD9	STATE	764,400.00	0.00	0.00	764,400.00	0.00	0.00	764,400.00	100.00%	PANHANDLE LEASE PAYMENT
4N4	6111	STATE	132,218.00	37,870.00	0.00	170,088.00	0.00	129,394.13	40,693.87	23.93%	PAYROLL(PROPERTY MGNT)
4N4	6112	STATE	6,500.00	0.00	0.00	6,500.00	0.00	2,170.00	4,330.00	66.62%	OHIO HUB WORKSHOP
	FUND TOTAL		**2,875,900.00**	**1,950,000.00**	**0.00**	**4,825,900.00**	**2,902,495.00**	**154,170.38**	**1,769,234.62**	**36.66%**	**TOTAL - OTHER ASSISTANCE**
5CF	6TL5	STATE	150,000.00	(150,000.00)	0.00	0.00	0.00	0.00	0.00	0.00%	COMMUNITY/RAILROAD GRANT
5CF	6TL7	STATE	250,000.00	150,000.00	0.00	400,000.00	400,000.00	0.00	0.00	0.00%	PRIVATE COMPANY GRANT
	FUND TOTAL		**400,000.00**	**0.00**	**0.00**	**400,000.00**	**400,000.00**	**0.00**	**0.00**	**0.00%**	**TOTAL - RAIL TRANSLOAD**
	GRAND TOTAL		**19,775,500.00**	**11,656,234.25**	**5,050,892.22**	**31,431,734.25**	**20,009,616.65**	**4,321,557.69**	**2,049,667.69**	**6.52%**	

ACCOMPLISHMENTS REPORT
PLANNING, PROJECT DEVELOPMENT, AND TRACK INSPECTION
May 9 to July 3, 2007

PLANNER	DEVELOPMENT SPECIALISTS
Don Damron	**Lou Jannazo**
	Bev Lee

TRACK INSPECTION

- Inspection trip/field survey of all crossings on W&LE Carrollton Branch for possible funding application to ODOD for 629 Roadwork Development funds; also evaluated possible closures.
- Inspection trip/field survey of all crossings on MVEDC owned Warren & Trumbull RR line for possible funding application to ODOD for 629 Roadwork Development funds; also evaluated possible closures.
- Inspection trip/field survey of proposed new SR 65 grade crossing for Iron Highway Project.

ADMINISTRATIVE

- Helped prepare agendas and briefing packets for July 12, 2007 meeting.
- Prepared "Jobs & Carloads" annual report.
- Developed grant agreements for projects approved at May meeting.
- Did grant agreement amendments to extend time for select projects and to reflect changes in scopes of work and termination dates.
- Did OEPA and Ohio Taxation background checks on May grant recipients.
- Helped line up witnesses for budget testimony; helped encourage supporters to contact key legislators; attended select budget hearings.
- Conducted requisite annual performance reviews.

TRAINING

- No Activity

FREIGHT PROJECT DEVELOPMENT AND IMPLEMENTATION

New Project Development/Continued Project Development

- Continued work and investigations/development into various ongoing spur project proposals including Village of Leipsic/Iron Highway (helping Village and Poet Energy coordinate with NS, CSX and I&O on a variety of issues needed to get Poet service by this Fall.
- Began investigations into new spur projects including Tiger Ethanol (Marion), Precision Feed & Grain (Jeffersonville), Kimble Mixer (New Philadelphia) & others.
- Continued working and attending meetings with Warren & Trumbull RR, Mahoning Valley Economic Development Corporation - MVEDC (owner of track W&TRR operates on) and Warren Steel Holding to develop funding to repair MVEDC line and provide needed on-site rail for Warren Steel to reopen closed steel mill.
- Developed the Greater Ohio Ethanol loan project for July Commission meeting.
- Continued working with Akron Metro (line owner), US Rail (line operator), NS and CSX (potential connecting carriers), and others on efforts to reactivate the Cuyahoga Falls to Hudson rail line for stone, steel, and transload traffic.
- Continued working with W&LE (line owner), Ohi-Rail (line operator), Carroll County, rail line shippers, and others on getting the Robertsville Tunnel on the Carrollton Branch repaired. Tunnel repair project will probably be presented to Commission at September meeting.

PASSENGER PLANNING

Ohio Hub

- Finished review of Final Ohio Hub report including a major rewriting of select parts of study.
- Continued work with Governor's office and other political leaders to support a federal earmark for getting a Programmatic Environmental Impact Statement (PEIS) funded.
- Provided TEMS Staff various comments on its global Economic Impacts draft report on the Ohio Hub.
- Continued coordination with GEM consultants working on the "local" Economic Impacts study of the Ohio Hub.
- Continued work and coordination with other states and railroads on Ohio Hub Study.
- Continued with various meetings and presentations on Ohio Hub plan.

Other Passenger Initiatives

- Continued coordination with the MWRRI study effort by participating in meeting in Chicago.
- Continued supporting local efforts to develop stations and promote Ohio Hub, particularly in Cincinnati.
- Kept abreast of passenger issues in across Ohio and nationally through participation in the States for Passenger Rail; attended S4PR meeting in Milwaukee.
- Attended meetings on new effort to get commuter rail or light rail going between Lorain and Cleveland.
- Don Damron is part of MWRRI team working on the Scope of Work for a PEIS for the Midwest Regional Rail network which helps ORDC for our own PEIS Ohio Hub efforts.

OTHER PLANNING INITIATIVES

- Prepared corrections of 2004 map and sent to ODOT for revisions. Twice reviewed ODOT revisions.
- Continued coordinating with ODOT on a new "Freight Railroad Bottleneck Study" by reviewing the final draft report and providing ODOT comments.
- Presented written options for out of service Glass Rock Branch to Perry and Muskingum County Commissioners. Conducted meeting with Muskingum County Commissioners on issues.

MISCELLANEOUS

- Attended a meeting of Heartland Corridor working group in Huntington; made presentation of Ohio issues.
- Helped local Canton officials to prod CSX to sell small "orphan" parcels to City for part of industrial park development. (CSX is being cooperative.)
- Continued helping Tuscarawas County officials with issues involving the Polar Express excursion trains it has historically run on the Panhandle.

PROJECT BRIEFING
GREATER OHIO ETHANOL PROJECT LOAN FOR ON SITE RAIL INFRASTRUCTURE

July 6, 2007

Rail Project Funding	
* ORDC Loan	$1,000,000
* GOE Site Prep & Bridge	$364,587
* Other GOE Funds	$193,963

Project Benefits

* 41 New Jobs
* Ohio Farmers Earn More for Corn
* 5,000 Carloads Generated/Yr.
* $145 Million Investment

INTRODUCTION: Staff recommends providing Greater Ohio Ethanol, Lima, LLC (GOE) a loan of $1,000,000 for the purposes of constructing approximately 6,300 feet of on site rail needed to serve an ethanol plant now under construction in Lima. Staff is still negotiating final loan terms and conditions. It is anticipated that the loan will have a seven year duration, with 0% interest in the first year, and an interest rate equal to two-thirds of the prime rate for the remainder. It is envisioned that part of the collateral will be the GOE assignment of a rate rebates from the serving railroad, the Indiana & Ohio Railway (IORY), to ORDC. Staff asks that Commissioners empower the Executive Director to determine the final terms of the loan as well as the appropriate collateral.

BACKGROUND: Greater Ohio Ethanol, Lima, LLC, is a wholly owned, single purpose entity of Greater Ohio Ethanol, LLC. Greater Ohio Ethanol, LLC plans on building ethanol plants in several locales with the plant in Lima being its first plant. Most of Greater Ohio Ethanols's over 250 investors are from Ohio and its principals are Ohio businessmen who have been working for years to get the Lima plant financed and constructed.

ORDC Past Involvement with Project: At the November 10, 2005 Commission meeting, ORDC provided the City of Lima through Resolution 05-08 a $200,000 grant to be used to help pay for 4,017 feet of new "off site" rail track including a 2,730 foot long passing siding along the I&ORY Cincinnati to Diann (Detroit) mainline, and a 1,287 foot long lead track running from the I&O mainline to the property line of a new GOE plant. This $1,050,000 in siding and lead tracks are both needed to handle rail traffic to and from the new ethanol plant. The November, 2005 "Project Briefing" noted that: "*Greater Ohio is requesting a $1.5 million loan from ORDC to build 11,000 ft. of "on site" rail at its new Lima plant. The loan request will be addressed in a separate ORDC briefing and resolution.*" Through a June 7, 2005 letter, ORDC's Executive Director committed to provide GOE a loan of up to $1.5 million for on site rail. GOE based a small part of its overall financing plan on the ORDC commitment letter to provide loan financing for the on site rail.

The City of Lima off site project did not begin until November, 2006 when GOE had closed on its financing package. The off site rail project construction is underway and the construction of the ethanol plant is ongoing.

GOE Lima Plant: GOE's $145 million, 54 million gallon per year ethanol plant in Lima is scheduled to start production in January, 2008. In addition to ethanol, the new plant will produce Dried Distillers Grain with Solubles (DDGS) and Carbon Dioxide (CO2). GOE's production methods differ from many other ethanol plants. Most DDGS produced by ethanol plants can only be consumed by ruminants, i.e. dairy and beef cattle. The DDGS which GOE will produce, however, will also be suitable for poultry, swine, and pets providing GOE with a broad market for DDGS sales.

The site for the GOE plant is contiguous to I - 75 in Lima in an area the City is developing for industrial uses. The utilities which will be brought to the GOE's nearly 62.7 acre site, along with the lead track and passing siding, will facilitate the use of about 200 adjoining acres for other industrial development. The City of Lima is developing an "Agricultural Business" industrial park on these 200 acres. In addition, the GEO has room on its own 62 acre site for future GOE expansion projects.

Rail Use: The new ethanol plant will consume about 20 million bushels of corn annually. It is anticipated that the majority of the corn will be bought locally (within 100 miles). It is estimated that in the first few years of operation, Ohio farmers selling corn to Greater Ohio will receive about 10 cents a bushel more for their corn than they would earn selling it in other markets. This is in addition to the overall rise in corn prices stimulated by ethanol production. Farmers had been selling corn in the $2 per bushel range for many years before the boom in ethanol production. Current corn prices are in the $3.50 per bushel range. About 50% of corn used by GOE is expected to be railed in to the plant by the IORY. Should 50% of the corn be railed in, about 2,850 rail cars a year will be generated.

It is expected that about 50% of outbound ethanol will be transported by rail. This represents about 1,000 rail cars. In addition, much of the DDGS, about 1,150 carloads per year, will also be shipped outbound by rail. Finally, a small amount of the CO2 produced at the plant could be shipped by rail. In all, it is expected that about 5,000 rail cars a year could be generated by the new plant.

PROJECT DESCRIPTION: The conceptual diagram included as Exhibit "A" shows the new off site and on site rail which is being built, as well as possible locations of additional tracks which could be built to facilitate development of 200 of acres of industrially zoned property.

GOE has trimmed its original plans for on site track significantly, from about 11,000 feet to about 6,300 feet. GOE expects that it may need to add more on site track in the future to avoid excessive on site handling of cars. (GOE will have a trackmobile on site for in plant switching.)

The rail project will be done by two different contractors, one doing site preparation, and the other doing the actual track work. GOE competitively bid the work. Exhibit "B" is a diagram showing on site rail work; Exhibit "C" is the bid for site preparation work; and Exhibit "D" is the bid for track work. Site preparation will cost $228,920 while track work will cost $965,043 for a total of $1,193,963. (Recent increases and change orders have increased track construction costs from $870,043 as shown in Exhibit D, to $965,043.)

GEO will own and maintain all on site track. On site track work will start as soon as possible and be completed by the end of the year.

WHY ORDC FUNDING IS NEEDED: ORDC loan funding helps GEO complete its financing package.

PROJECT BENEFITS

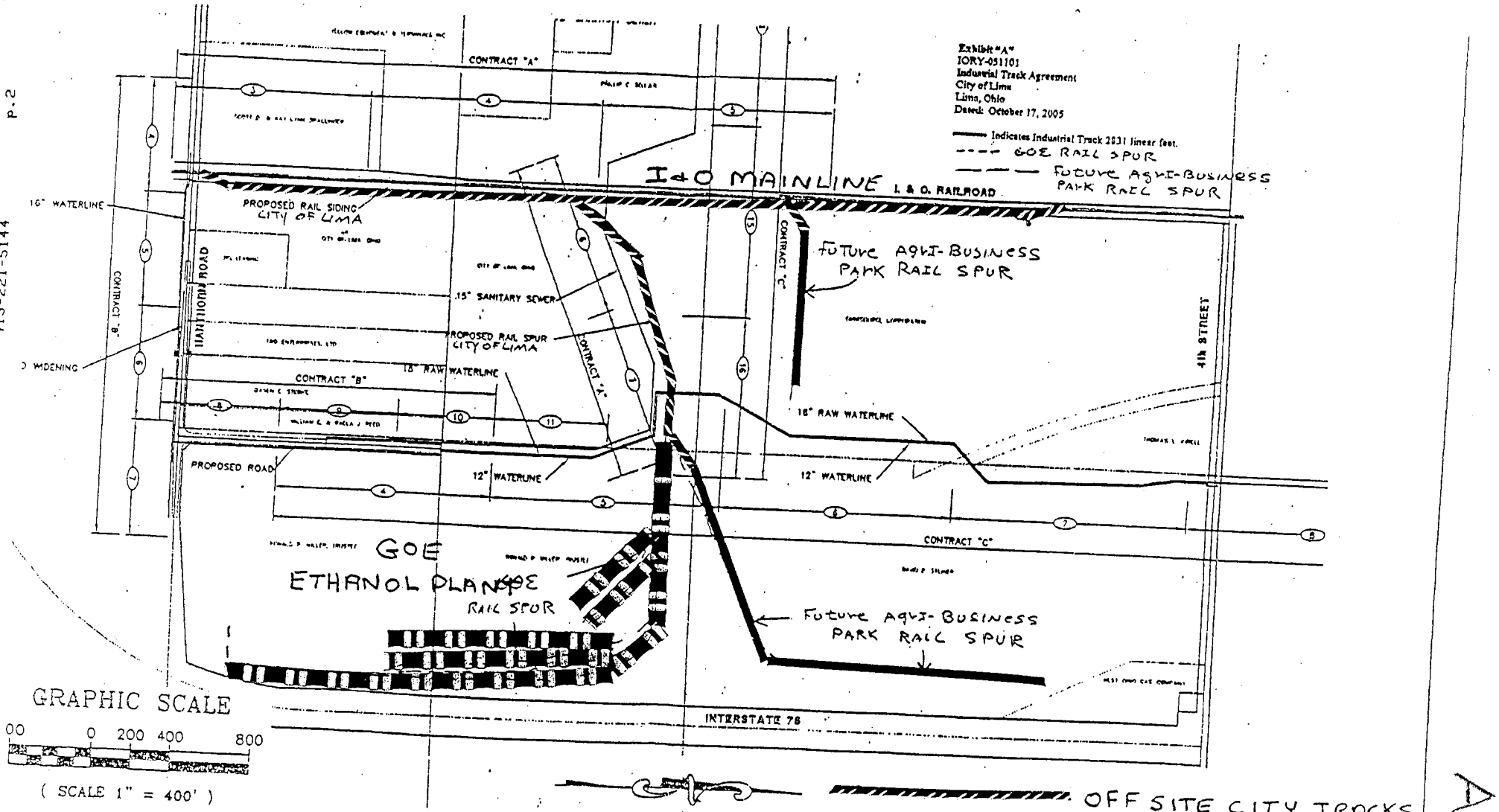
* Forty-one new full time jobs paying an average of $40,000 per year.
* GOE's $145 million investment will require hundreds of construction jobs as well as stimulate many ongoing jobs providing contractor maintenance to the plant.
* Local farmers will earn more for their corn crops due to GOE and other ethanol plants driving up demand.
* About 5,000 carloads of rail traffic will be generated annually.

OTHER CONTRIBUTIONS

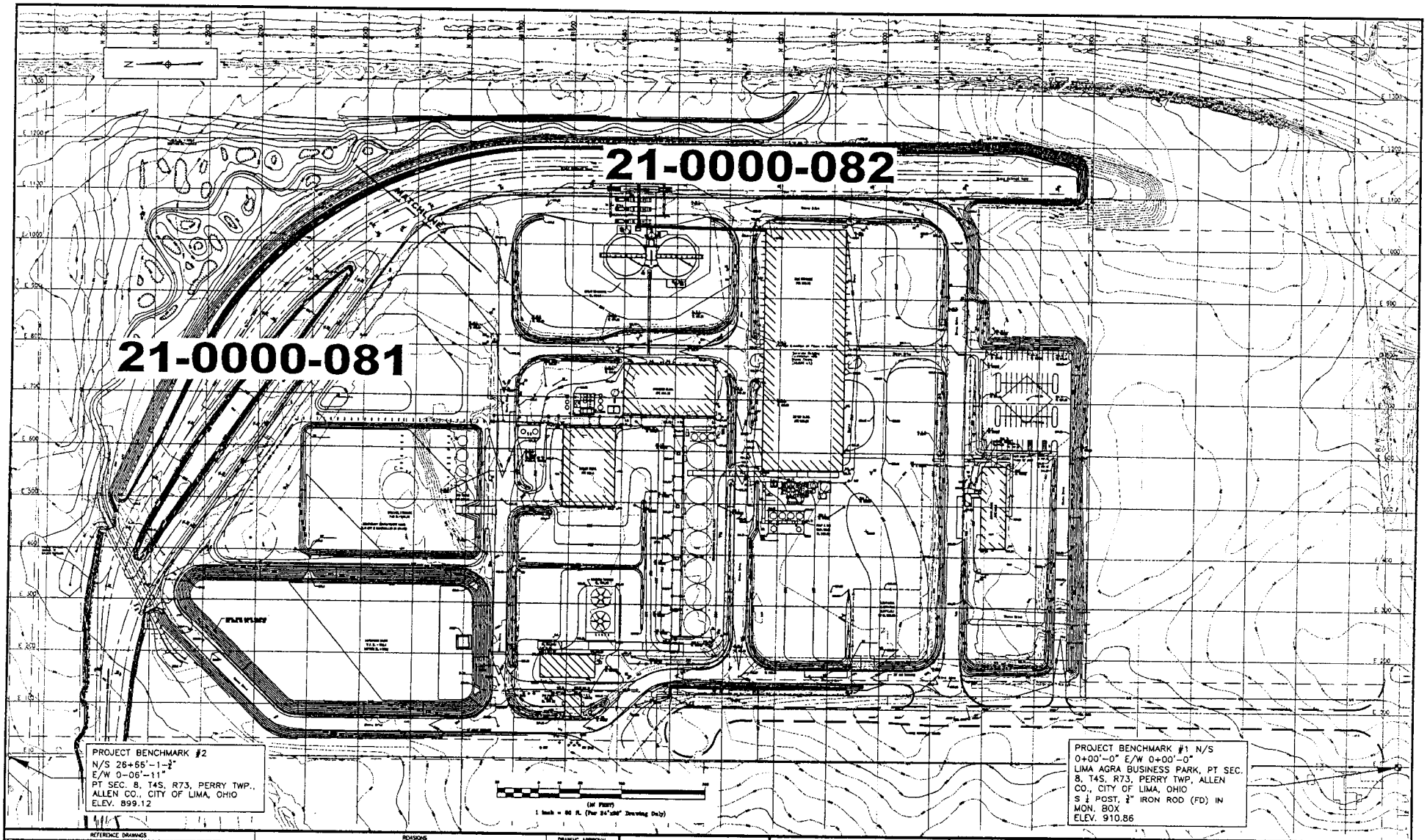
* The IORY will provide rate rebates to help defray on site rail costs.
* GOE has already invested $364,587 for the construction of a bridge and site preparation work needed for the on site rail.
* GOE will pay for any on site rail in excess of $1,000,000.

SPECIAL CONTINGENCIES: Staff asks that Commissioners empower the Executive Director to determine the final terms of the loan as well as the appropriate collateral.

Exhibit A



P.2
419-221-5144
City of Lima
Oct 27 05 05:26p


21-0000-082
21-0000-081
PROJECT BENCHMARK #2
N/S 26+65'-1-3/4"
E/W 0-06'-11"
PT SEC. 8, T4S, R73, PERRY TWP., ALLEN CO., CITY OF LIMA, OHIO
ELEV. 899.12
PROJECT BENCHMARK #1 N/S 0+00'-0" E/W 0+00'-0" LIMA AGRA BUSINESS PARK, PT SEC. 8, T4S, R73, PERRY TWP, ALLEN CO., CITY OF LIMA, OHIO
S ¡ POST, ¾" IRON ROD (FD) IN MON. BOX
ELEV. 910.86
1 Inch = 60 Ft. (For 24"x36" Drawing Only)

REFERENCE DRAWINGS

DWG. NO.	TITLE

REVISIONS

REV.	DESCRIPTION	BY	DATE	CHK	DATE	APPR	DATE
0	ISSUE #139: FOR BID & PERMITS	MW	10/31/07	DJW	10/31/07		

DRAWING APPROVAL

	DATE
PROCESS	
MECHANICAL	
STRUCTURAL	
PIPING	
ELECTRICAL	
INSTRUMENTATION	
PROJECT MGR.	
CLIENT	

SSOE, INC.
ARCHITECTS • ENGINEERS

STATE OF OHIO — DUANE D. WOLF — REGISTERED PROFESSIONAL ENGINEER
ENGINEER'S SEAL

GREATER OHIO ETHANOL, LLC
111 E. SHAWNEE ST., 4TH FLOOR, SUITE 400, LIMA, OHIO 45801
(419) 331-2992

GO-Ethanol
GREATER OHIO ETHANOL, LLC

GREATER OHIO ETHANOL, LLC
1401 E. HANCOCK RD.
LIMA, OHIO 45801
(312) 338-3325

54 MM GAL/YR ETHANOL FACILITY
OVERALL ROUGH GRADING FOR THE RAIL SIDING

LIMA — OHIO

DRAWN BY	DATE	SCALE	PROJ. NO.	DRWG. NO.	REV.
D. WOLF	02/05/07	1"=60'	08-9040-02	21-0000-080	0

DESIGNED BY: D. WOLF — DETAILED BY: — FILE: 21-0000-080

GOE Railroad							
Item No.	Description	Quantity	Unit	Labor $	Material $	Unit $	Total
	Rail Siding Grading Work						
1.3	Provide appropriate construction staking	1	Lump	$ 5,500.00	$ -	$ 5,500.00	$ 5,500.00
1.8	Appropriate Dust Control	1	Lump	$ 1,000.00	$ 500.00	$ 1,500.00	$ 1,500.00
1.11	Testing & Compaction (see item 2.10)	1	Lump	$ -	$ -	$ -	$ -
2.1	Sub-base construction (approximate 2"-4" #304)	5000	Ton	$ 2.20	$ 9.02	$ 11.22	$ 56,100.00
2.2	Class B, 10 oz. Seperation fabric, non-woven	0	SY	$ 0.45	$ 1.16	$ 1.61	$ -
2.3	Sub-ballast placement (8" #304)	13500	Ton	$ 2.20	$ 9.02	$ 11.22	$ 151,470.00
2.3a	Grading	33000	SY	$ 0.45	$ -	$ 0.45	$ 14,850.00
2.4	SWPPP as applicable	1	Lump	$ 1,000.00	$ 500.00	$ 1,500.00	$ 1,500.00
2.10	Testing & Compaction	1	Lump	$ 5,000.00	$ -	$ 5,000.00	$ 5,000.00
						Total PO # 0034	$ 228,920.00
	Alternate if not performed as part of PO#0012						
2.6	Complete Drainage Ditch on N & E sides siding, also basin between siding at north end (may or may not be completed in this PO) prior PO#0012 Item 2.17	1	Lump	$ 13,750.00	$ -	$ 13,750.00	$ 13,750.00
						Total PO #0034 with Alternate	$ 242,670.00

D

RAILWORKS™ Track Services

Quotation, Offer, Acceptance

1624 West Armstrong Road Frankfort, IN 46041 Telephone (765) 659-5102 Fax (765) 659-3573

Submitted To: Greater Ohio Ethanol Lima, LLC
1451 East Hanthorn Road
Lima, Ohio 45804
Attn: Dave McElwain
(567) 940-9500 Telephone (567) 940-9503 Telefax

Number: 07-1033

Date: 4/26/2007

ITEM NO.	ARTICLES OR SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
	Railworks is please to quote the following work: GOE Lima Site Rail Siding - RTOA Labor Rates				
1	Initial Mobilization and Job Setup	1	LS	$12,780.00	$12,780.00
2	Construct No. 10 Turnouts	3	Each	$38,850.00	$116,550.00
3	Construct Track	6,312	TF	$110.30	$696,213.60
4	Install Walkway Ballast	250	Tons	$14.00	$3,500.00
5	Full Depth Timber Crossings a) Pricing excludes asphalt approaches	30	TF	$215.00	$6,450.00
6	Rubber Flange Crossings a) Pricing excludes asphalt in center of track crossing b) Pricing excludes asphalt approaches	15	TF	$170.00	$2,550.00
7	Bumping Posts a) WD Bumping Post without the Shock Free Heads	4	Each	$3,000.00	$12,000.00
8	Switch Lock a) This item replaces one of the Bumping Posts	1	Each	$1,000.00	$1,000.00
9	Containment Pan a) 30' Century High Density Polyethylene Enviropan	2	Each	$9,500.00	$19,000.00
	Additional Unit Prices				
1	Track Ballast		Ton	$20.50	
2	WD Bumping Post without Shock Free Head		Each	$5,060.00	
3	Turnout Cut-In Price		Each	$5,838.00	
4	Additional Mobilizations		Each	$5,300.00	
	TOTAL THIS PROPOSAL				$870,043.60
Notes:	Pricing Valid for 30 Days Pricing Based on No Delays Pricing Based on Straight Time Work				

1.5% Interest per month on invoices over 10 days past due

THIS QUOTE AND ANY RESULTING SALE ARE SUBJECT TO THE ATTACHED TERMS AND CONDITIONS OF SALE

Accepted by
Greater Ohio Ethanol Lima, LLC

By _____

Date _____

Respectfully submitted,
RAILWORKS Track Services

By _____
William Gielniak, Estimator

THIS QUOTE AND ANY RESULTING SALE ARE SUBJECT TO THE ATTACHED TERMS AND CONDITIONS OF SALE

17

RESOLUTION 07-10

RE: GREATER OHIO ETHANOL, LIMA, LLC PANHANDLE RAIL CONSTRUCTION LOAN
A RESOLUTION DETERMINING THE APPROPRIATENESS OF ASSISTANCE PROPOSED TO BE PROVIDED TO THE GREATER OHIO ETHANOL, LIMA, LLC UNDER CHAPTER 4981 OF THE OHIO REVISED CODE.

WHEREAS, this Commission as the Ohio Rail Development Commission ("ORDC") created by Chapter 4981 of the Ohio Revised Code, has the responsibility of reviewing and making recommendations to ORDC staff with respect to the assistance under Chapter 4981 of the Ohio Revised Code (the "Act") proposed to be provided; and

WHEREAS, the ORDC has under consideration the provision of assistance under the Act to the Greater Ohio Ethanol, Lima, LLC (the "Company"); and

WHEREAS, the ORDC staff has submitted to this ORDC a Request for Assistance submitted by the Company; the determination of the Executive Director of the ORDC and the facts upon which such determination is based, that the proposed assistance will conform to the requirements of the Act and the terms of the proposed assistance; and

WHEREAS, the ORDC has reviewed such submissions and discussed them with the Executive Director and staff of the ORDC the proposed assistance; and

WHEREAS, on the basis of such review and discussions, the ORDC has determined that the provision of assistance to the Company, as set forth in the ORDC staff's submissions, is appropriate.

NOW, THEREFORE, BE IT RESOLVED by the ORDC of the State of Ohio:

Section 1. That the ORDC determines that the assistance proposed to be provided under the Act to assist the Company with the Rail Service Project (as defined below) is appropriate.

Section 2. That the ORDC approves the proposed assistance to the Company, the nature, amount and terms of which are summarized in Exhibit "A" attached hereto.

Moved By _____
Seconded By_____

Upon roll call, the vote resulted as follows:

James E. Betts, Chair	____ yes	_____ no	_____ absent	____ abstained	____ Recused
Howard Wood for James G. Beasley	____ yes	_____ no	_____ absent	____ abstained	____ Recused
Barbara Hammontree Bennett	____ yes	_____ no	_____ absent	____ abstained	____ Recused
Kimberly Gibson for Lt Gov Fisher	____ yes	_____ no	_____ absent	____ abstained	____ Recused
Solomon Jackson	____ yes	_____ no	_____ absent	____ abstained	____ Recused
Thomas McOwen	____ yes	_____ no	_____ absent	____ abstained	____ Recused
Larry Sowers	____ yes	_____ no	_____ absent	____ abstained	____ Recused
Herk Wolfe	____ yes	_____ no	_____ absent	____ abstained	____ Recused
Dan Roberts	____ yes	_____ no	_____ absent	____ abstained	____ Recused
Jim Hartung	____ yes	_____ no	_____ absent	____ abstained	____ Recused

ORDC ACTION: Motion approved ____ Other action _____
Motion denied ____ Date 7/12/07

CERTIFICATE

I, the undersigned Chairman of the ORDC, hereby certify that the foregoing is a true and correct record of the resolution of said ORDC.

_____ 7/12/07
James E. Betts, Chairman Date

EXHIBIT A

A loan in an amount of up to One Million Dollars ($1,000,000) (the "ORDC Loan") for the purpose of constructing approximately 6,200 feet of on-site rail needed to serve the Company's ethanol plant now under construction (the "Rail Service Project") as defined herein pursuant to Section 4981.032 of the Ohio Revised Code at the Company's location in the City of Lima, Allen County, Ohio. The terms of the ORDC Loan shall be determined by the Acting Executive Director of ORDC.

The ORDC Grant and Loan are subject to the following conditions:

1. The Company must meet all standard ORDC program requirements, including any applicable prevailing wage provisions, in expending ORDC funds.

2. The Company shall execute and obtain such documents as are deemed necessary by the ORDC to evidence, close and secure the ORDC Loan.

	Grantee	Grant/ Loan Amount	Project Completion Date	Jobs Pledged	Carloads Pledged	Jobs 2006	Carloads 2006	Why Short	ORDC Comment / Recommendation
1	American Energy Corporation 153 Highway 7 South Powhatten, OH 43942 Jeffrey Cash	$400,000 (G)	Jun-03 3 yrs Jun-06	C-123 R-252	40,000 *400+	**448**	**59,148**		Jobs and Carload Met
2	Midd Cities Partners 7811 Laurel Avenue Cincinnati, OH 45243 Robert L. Lafkas	$385,680 (L) $75,000 (G)	Jun-03 3 yrs Jun-06	C-25	1,440 *400+	**91**	**2,310**		Jobs and Carload Met
3	Tower Automotive 630 Southwestern Street Bellevue, OH 44811 Michael Jenkins	$50,000 (G)	3 yrs 2004 - 2007	C-100	150	**189**	**488**		Jobs and Carload Met
4	McDermott Industries P.O. Box 307 McDermott, OH 45652 Vera & Carl Pertuset	$25,000 (G)	3 yrs 2004 - 2007	C-19 R-6	100	**14**	**0**	Can't find or get employees, still no service from NS in / out of Portsmouth.	Continue to monitor
5	Art Iron, Inc. 860 Curtis Street Toledo, OH 43620 Paul Ravis	$75,000 (G)	3 yrs 2004 - 2007	C-10 R-110	100 *200	**139**	**0**	Expanding facility to increase capacity and consolidate orders of structure steel by rail.	Steel mills prefer trucks vs. rail because larger quantities are needed to fill a rail car.
6	Haverhill North Coke Company 2446 Gallia Pike Franklin Furnace, OH 45629 Richard Justus	$25,000 (G)	3 yrs 2004 - 2007	C-50	500 *100	**72**	**9,860**		Continue to monitor
7	GK Packaging, Inc. 7680 Commerce Place Plain City, OH 43064 Robert Kellerman	$25,000	3 yrs 2005 - 2008	C-45 R-5	36 *75	**66**	**44**		Continue to monitor
8	Wellsville Intermodal Industrial Park (Columbiana County Port Authority) 1250 St. George Street East Liverpool, OH 43920 Tracy Drake	$717,000	3 yrs 2005 - 2008	C-140	975 *400	**45**	**100**	Site is still under development. Two new companies plan to rail transport coal.	Continue to monitor
9	Republic (N&T) Technologies Int'l 2633 Eight Street, N.E. Canton, OH 44704-3311 Judy Eggerty or James Huff	$290,933	3 yrs 2005 - 2008	R-1,300	30,000 *400	**1,651**	**20,240**	Flexcast facility is not in full operation and company downsized with new ownership.	Continue to monitor

denotes attached chart level number

	American Energy (3 yrs)		Midd Cities (3 yrs)	
	Jobs	**Cars**	**Jobs**	**Cars**
Committed	***375***	***40,000***	***25***	***1,440***
2003	406	56,591	28	2,179
2004	405	67,440	82	2,895
2005	444	62,116	57	1,836
2006	448	59,148	91	2,310

	Tower Automotive (3 yrs)		McDermott Indust (3 yrs)		Art Iron, Inc. (3 yrs)		Haverhill North Coke (3 yrs)	
	Jobs	**Cars**	**Jobs**	**Cars**	**Jobs**	**Cars**	**Jobs**	**Cars**
Committed	***100***	***150***	***25***	***100***	***120***	***100***	***50***	***500***
2004	119	0	15	0	132	17		
2005	206	0	13	0	139	19	72	8,068
2006	189	448	14	0	139	0	72	9,860

	GK Packaging, Inc. (3 yrs)		Wellsville Intermodal (3 yrs)		Republic (N&T) (3 yrs)	
	Jobs	**Cars**	**Jobs**	**Cars**	**Jobs**	**Cars**
Committed	***50***	***36***	***140***	***975***	***1,300***	***30,000***
2005	50	28	45	0	1,890	16,715
2006	66	44	45	100	1,651	20,240

A few years ago, the Commissioners asked staff to come up with some guidelines or thresholds to eliminate the disparities. The basic question asked was: "What level of carloading is expected for a corresponding level of grant?" The chart below provides one way of answering this question. This chart could be the basis for the carload clawback provision, augmenting information staff provides Commissioners about total projected carloads.

Grant Level	**Required Carload Level**
$10,000 up to $90,00	1 to 25 (No Specific Require #)
$100,000	275
$110,000	300
$120,000	325
$130,000	350
$140,000	375
$150,000	400
Over $150,000	400/@Commission Discretion

	Grantee	Grant/ Loan Amount	Project Completion Date	Jobs Pledged	Carloads Pledged	Jobs 2005	Carloads 2005	Why Short	ORDC Comment / Recommendation
1	Millard Refrigerated Services Streetsboro, OH facility 4715 South 132nd Street Omaha, Nebraska 68137 Steven Offner	$66,250	February 1999 to February 2004 5 years	C-75 Add. 23	156 **200*	**97**	**26**	Rail customer started shipments late 2005, expects full year of rail shipments in 2006	ACCEPT
2	Pinnacle Plastic 513 Napoleon Road Bowling Green, OH 43402 Gary Gratop	$40,000	March 2001 to March 2004/06 3/5 years	C-28 R-72	100 **125*	**98**	**7**	Katrina cause major resin shortage and general economy down, ran production at 65%	ACCEPT
3	US Rail Corporation **(American Warehousing, Inc)** 7846 West Central Avenue Toledo, OH 43617 Danielle or Gobe Hall	$143,599 (L) $235,250 (G)	Dec-01 3 yrs Dec-04	C-35	325 **400*		**66**	New Mayor of Jackson and new owners of the warehouse	ACCEPT
4	20/20 Custom Molded Plastics 14620 Selwyn Drive Holiday City, OH 43543 David Rupp	$50,000 (G)	Jun-02 3 yrs Jun-05	C-62	96 **150*	**132**	**50**	Carloads short due to product base is in Gulf Coast - Hurricane Katrina	Jobs met - ACCEPT
5	Country Spring Farmers Coop. 2025 West State Street P.O. Box 870 Fremont, OH 43420-0870 George D. Secor	$180,000 (L)	Aug-02 3 yrs Aug-05	C-3 R-15	1,400 **400+*	**20**	**1,984**		Jobs and carloads met
6	Silver Line Building Products P.O. Box 6029 North Brunswick, NJ 08902 Jane Andrews	$143,000 (G)	Sep-02 3 yrs / 5 yrs	C-550 3 yrs Sep-05	104 **375* 5 yrs Sep-07	**656**	**83**	Company stated carloads will be met by 2007	Jobs met
7	Cloverleaf Cold Storage Company 2800 Cloverleaf Court Sioux City, IA 51111 Daniel Kaplan	$328,000 (L)	Dec-02 3 yrs Dec-05	C-30	1,140 **400+*	**49**	**372**	Avian Flu severely damaged poultry export, volume and markets	Jobs met - REMOVE
8	American Energy Corporation 153 Highway 7 South Powhatten, OH 43942 Jeffrey Cash	$400,000 (G)	Jun-03 3 yrs Jun-06	C-123 R-252	40,000 **400+*	**444**	**62,116**		Exceeded jobs and carloads
9	Midd Cities Partners 7811 Laurel Avenue Cincinnati, OH 45243 Robert L. Lafkas	$385,680 (L) $75,000 (G)	Jun-03 3 yrs Jun-06	C-25	1,440 **400+*	**57**	**1,836**		Exceeded jobs and carloads
10	Tower Automotive 630 Southwestern Street Bellevue, OH 44811 Michael Jenkins	$50,000 (G)	3 yrs 2004 - 2007	C-100	150	**206**	**0**	Rail project delayed, started rail shipments on 2/6/06	Jobs met - continue to monitor
11	McDermott Industries P.O. Box 307 McDermott, OH 45652 Vera & Carl Pertuset	$25,000 (G)	3 yrs 2004 - 2007	C -19 R - 6	100	**13**	**0**	Presently, rail is <u>not</u> cost effective or efficient	Continue to monitor

	Grantee	Grant/ Loan Amount	Project Completion Date	Jobs Pledged	Carloads Pledged	Jobs 2005	Carloads 2005	Why Short	ORDC Comment / Recommendation
12	Art Iron, Inc. 860 Curtis Street Toledo, OH 43620 Paul Ravis	$75,000 (G)	3 yrs 2004 - 2007	C -10 R -110	100 *200*	**139**	**19**	Due to the economy, smaller shipments and shippers are using trucks	Continue to monitor
13	Haverhill North Coke Company 2446 Gallia Pike Franklin Furnace, OH 45629 Richard Justus	$25,000 (G)	3 yrs 2004 - 2007	C - 50	500 *100*	**72**	**8,068**		Exceeded jobs and carloads
14	GK Packaging, Inc. 7680 Commerce Place Plain City, OH 43064 Robert Kellerman	$25,000	3 yrs 2005 - 2008	C -45 R - 5	36 *75*	**50**	**28**	Rail service started 6/1/05	Jobs met
15	Wellsville Intermodal Industrial Park (Columbiana County Port Authority) 1250 St. George Street East Liverpool, OH 43920 Tracy Drake	$717,000	3 yrs 2005 - 2008	C - 140	975 *400*	**45**	**0**	Track construction completed 12/05, expects car loading goal to be met by 2008	Continue to monitor
16	Republic (N&T) Technologies Int'l 2633 Eight Street, N.E. Canton, OH 44704-3311 Jim Murphy	$290,933	3 yrs 2005 - 2008	R - 1,300	30,000 *400*	**1,890**	**16,715**	Flexcast facility is behind schedule and not fully operational	Jobs met - continue to monitor